

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	November 10, 2008
	Agenda Item No. 54B Roll Call No. <u>08-</u> Communication No. <u>08-682</u> Submitted by: Larry Hulse, Community Development Director	

AGENDA HEADING:

Resolution authorizing a \$175,000 grant request to the Polk County Housing Trust Fund for the City of Des Moines Minor Repair Loan Program.

SYNOPSIS:

Resolution authorizing a \$175,000 Grant Request to the Polk County Housing Trust Fund for the City of Des Moines' Minor Repair Loan Program.

FISCAL IMPACT:

The grant application is for \$175,000 for 2008 and 2009 program years. This will be matched by Community Development Block Grant funds. The combination of these grant funds will enable the City's Minor Repair Loan Program to correct emergency conditions for low-income homeowners.

Amount: \$175,000

Funding Source: Polk County Housing Trust Fund (PCHTF)

ADDITIONAL INFORMATION:

The Minor Repair Loan Program (ERL) targets low-income households most at risk of losing their homes. A maximum of \$9,000 per house subsidy allows the household to mitigate the immediate problem and to remain in the house. The average subsidy per house in 2008 has been around \$7,000. The majority of low-income households are unable to afford the cost of emergency repairs such as a roof, waterline, or furnace failure. To date in 2008, 46 projects have been completed and about 12-15 projects are pending or in process.

Several funding sources contribute to the Minor Repair Loan Program administered by the Neighborhood Conservation Program of the Community Development Department.

- The City received a \$215,000 grant from the Polk County Housing Trust Fund in January 2008 to operate the Minor Repair Loan in calendar-year 2008. Approximately, \$75,000 of these funds remains and the current contract will enable the program to operate in calendar-year 2009.
- The City will use \$300,000 of CDBG funds to operate the Minor Repair Loan Program. The City Council's 11/19/07 meeting authorized CDBG funds for the Minor Repair Loan for the 2008-2009 program years. Approximately \$150,000 of these funds remains to be used through 2009.

- The City will use \$175,000 of CDBG funds to operate the Minor Repair Loan Program for 2009 and 2010, if approved by the Council on 11/10/08.

The City of Des Moines has operated the Emergency Repair Loan Program (ERL) Program for several years. Over that time, the assistance levels have been adjusted to keep pace with inflation. As illustrated by the 2008 average of \$7,000 per house, the maximum assistance level of \$9,000 is generally adequate to address emergency issues and have the property meet the Housing Quality Standards (HQS).

This resolution gives authorization for the submission of the grant application, which is required by the Polk County Housing Trust Fund. If the grant is received, the City Manager or his designee is authorized to execute the terms of the agreement through the City's Owner-Occupied Housing Rehabilitation Loan Program.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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